



Senate

General Assembly

File No. 429

February Session, 2008

Substitute Senate Bill No. 602

Senate, April 3, 2008

The Committee on Judiciary reported through SEN. MCDONALD of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE COLLECTION OF DELINQUENT
PROPERTY TAXES ON MOTOR VEHICLES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-144a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008*):

3 [Irrespective of] (a) Notwithstanding the provisions of sections 12-
4 142 and 12-144, the appropriating body of each municipality, upon
5 approving any budget calling for the laying of a tax on property, shall
6 determine whether such tax as it applies to motor vehicles shall be due
7 and payable in a single installment.

8 (b) Notwithstanding the provisions of sections 12-145 and 12-146,
9 interest on any delinquent tax on property applicable to a motor
10 vehicle shall cease to accrue three years from the date such tax became
11 delinquent unless, prior to the expiration of such three-year period, the
12 collector of the municipality or other proper officer enforcing the
13 payment of such tax mails or hands to the person liable therefor a

14 statement of the year and amount of such tax and accrued interest
 15 thereon.

16 Sec. 2. Section 12-164 of the general statutes is repealed and the
 17 following is substituted in lieu thereof (*Effective July 1, 2008*):

18 (a) No payment of taxes shall be enforced by any collector or other
 19 proper officer against any person, persons or corporation against
 20 which they are respectively levied except within fifteen years after the
 21 due date of the tax. The provisions of this [section] subsection shall be
 22 retroactive. The fifteen-year limitation shall not apply to improvement
 23 liens except those which have been released of record prior to July 18,
 24 1945. Collectors shall compute interest on improvement liens for a
 25 period of not more than fifteen years, and at a rate, after July 18, 1945,
 26 and retroactively, not exceeding twelve per cent per annum, any
 27 provision of any special act to the contrary notwithstanding. [The term
 28 "improvement lien" as used herein] As used in this subsection,
 29 "improvement lien" includes municipal liens for repairs and services.

30 (b) Notwithstanding the provisions of subsection (a) of this section:
 31 [, liens] (1) Liens filed under the provisions of section 12-129n of the
 32 2008 supplement to the general statutes shall be valid without any
 33 limitation of time; and (2) no payment of taxes applicable with respect
 34 to a motor vehicle shall be enforced by any collector or other proper
 35 officer against any person, persons or corporation against which they
 36 are respectively levied unless such enforcement action is brought
 37 within six years after the due date of the tax.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	12-144a
Sec. 2	<i>July 1, 2008</i>	12-164

JUD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
Various Municipalities	STATE MANDATE - Revenue Loss	See Below	See Below
Various Municipalities	Cost	Minimal	Minimal

Explanation

The bill prohibits municipalities from collecting any motor vehicle tax past due after 6 years of the original due date. This will result in a revenue loss to municipalities to the degree that they have delinquent motor vehicle taxes which are 6 years or more past the original due date.

The bill also places a three year maximum on the accrual of interest applicable to delinquent motor vehicle taxes unless the taxpayer is notified by mail or in person. There is a minimal cost for mailing out notices which municipalities will be able to accommodate within their anticipated budgetary resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 602*****AN ACT CONCERNING THE COLLECTION OF DELINQUENT
PROPERTY TAXES ON MOTOR VEHICLES.*****SUMMARY:**

This bill prohibits local tax officials and their agents from enforcing motor vehicle tax levies against people and corporations more than six years after the tax due date.

It also caps at three years the accrual of interest on motor vehicle tax delinquencies unless the official or agent has, within that period, mailed or personally given the taxpayer a statement specifying the year, amount of tax due, and accrued interest.

EFFECTIVE DATE: July 1, 2008

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 41 Nay 1 (03/17/2008)